

TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

December 5, 2003

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, Michigan 49007

RE: Docket # 03-00455

Dear Mr. Crocker:

By statute CLEC applicants are required to demonstrate their managerial, financial and technical abilities to provide the services for which they seek authority. The Authority sent a Data Request on July 31, 2003 requesting information to be returned no later than August 15, 2003. To date we have never received a surety bond, letter of credit or evidence that you own and operate equipment facilities in Tennessee worth more than \$5,000,000 as requested.

This is a final request for the bond needed to process the CLEC application of NOW Acquisition Corporation. If an acceptable bond or letter of credit is not provided by December 19, 2003, this matter will be presented to the Directors with a recommendation for denial of the application.

In addition, to assist the Authority in its review of NOW Acquisition Corporation's application for a Certificate of Convenience and Necessity to provide competing local telecommunications services within the state of Tennessee, you are requested to provide all the information on the attachment.

Please provide this information by December 19, 2003. If you have any questions concerning this request or need additional information, please call Patsy Fulton at 615-741-2904 ext. 193.

Sincerely,

Joe Werner, Chief of Telecommunications

Attachment

Cc: Docket File

NOW Acquisition Corporation
Data Request
December 5, 2003

1. As requested in the Data Request dated July 31, 2003 please provide:
 1. A corporate surety bond in the amount of \$20,000; or
 2. An irrevocable letter of credit in the amount of \$20,000; or
 3. Documentary evidence that you own and operate equipment facilities in Tennessee worth more than \$5,000,000.
2. Please explain why this bond has not already been provided. The application was filed July 28, 2003 and the Data Request was sent July 31, 2003. The Authority has not received a request for extension to file the bond.
3. The Application states that NOW Acquisition Company ("NAC") affiliates hold authority to provide resold and facilities-based telecommunications services in 10 states. Please name the affiliates, the relationship of the affiliates and the 10 states where they have authority to do business.
4. Why is MCG not investing in NOW Communications, Inc. ("NOW") rather than using NAC as an assignee of all of the assets and customer base upon completion of the Asset Purchase Agreement? Why is a new entity being created?
5. Please submit any and all contractual agreements between Biznessonline.com, Now Acquisition Corporation, NOW Communications, Inc. and MCG that are in existence or proposed.
6. If NOW Acquisition Corporation ("NAC") is granted a Certificate of Convenience and Necessity, what is the first month's billing projected to be?
7. There are no reported assets and cash is zero on the balance sheet and statement of cash flow provided for NAC in the data response filed 8/18/03. Please provide a sworn statement from an officer of the parent, Bizness Online.Com, Inc., stating how much Bizness is going to provide for start-up expenses and when it will be made available.
8. Provide interim financials including a balance sheet, income statement and statement of cash flows for the parent company BiznessOnline.com, Inc. for the six months ended June 30, 2003 and nine months ended September 30, 2003.
9. Provide a copy of BiznessOnline.com, Inc.'s June 30, 2002 and June 30, 2003 10Q's submitted to the Securities and Exchange Commission.

10. Please explain in detail the special nature of, and what is included in the Inventory section; Other Asset section and the Due to/from BizOnline amount of (\$62,373,808.05) shown on of the BiznessOnline.com, Inc. Balance Sheet Year Ended 12/31/2002 that was provided to the Tennessee Regulatory Authority in the August 18, 2003 Data Response.
11. NAC submitted an Annual Proforma P&L. Please explain the MCG Debt and MCG Deferred Interest under the Liabilities and Stockholders' Equity section of the Balance Sheet. Please provide a copy of this transaction. Also, please explain why none of the amount will be paid through 2006. NAC appears to be cash rich at the end of 2006; however, the long term debt remains the same with added interest.
13. Please give a detail analysis of the Accounts Payable amount on the Annual Proforma P&L Balance Sheet. The amount is \$5,647,604 and changes very little from 2003 through 2006.
14. The Joint Application filed on July 15, 2003 with the Tennessee Regulatory Authority states that NOW filed for reorganization under Chapter 11 Bankruptcy in the US District Court for Southern District of Mississippi. Has the reorganization under Chapter 11 been approved/rejected? If not, why not and when is a ruling expected?
15. Please provide the details of the Note Payable that BiznessOnline.com has with MCG of \$14,019,741 as listed on the Balance Sheet provided with the application. Also, please provide a copy of the Note.
16. Will the NOW interconnection agreement with BellSouth Telecommunications, Inc. in Tennessee be assigned to NAC?
17. If NOW is a prepaid company with very little receivables and not much equipment to maintain, what caused the bankruptcy?
18. What precautions have been put in place to prevent NAC from falling to bankruptcy?
19. Has BiznessOnline.Com or NAC been provided any "on going" guaranteed funding from MCG Capital Corporation specifically for NAC? If so, please provide a copy of the contractual agreement/guarantee.
20. Has NAC been approved for a Certificate of Public Convenience and Necessity to provide Telecommunications Services in any state at the present time? Are there any Petitions/Applications for Certificates of Public Convenience and Necessity to provide Telecommunications Services pending for approval and what is the status? Has NAC been denied authority in any state?

21. Provide an amendment to the Pre-Filed Testimony explaining the financial ability of Now Acquisition Corporation to be a going concern in the future.
22. Will the ruling for the reorganization under Chapter 11 for NOW Communications, Inc., have any affect on NAC continuing with the Application for Public Convenience and Necessity in the State of Tennessee? If so, in what respect?
23. Who is Essex and what role do they play in the Asset Purchase Agreement, with BiznessOnline.com, with NAC , NOW or with MCG?
24. Please provide a copy and details of any agreements between Essex and NOW, NAC or BiznessOnline.com.
25. Has any debt between MCG and NOW been satisfied based on the Asset Purchase between MCG and NOW? If so, how much?
26. What is the "Harvest" Strategy mentioned in *BellSouth's Response to NAC's Motions to Dismiss BellSouth's Petitions to Intervene* in this Docket?
27. Have any customers been transferred either by Letter of Agency or without from NOW to Essex?